

# Governor's Natural Resources Leadership Summit

*Hungry Mother State Park | Marion, VA | September 18-19, 2006*



## **LAND CONSERVATION WHITE PAPER**

*Note:* The following information is provided to help inform discussions at the Summit. Please understand, however, that this is not meant to be an exhaustive discussion of this natural resource, nor is it meant to confine your discussions at the Summit. Please bring your own knowledge, expertise, creative ideas and suggestions to the table!

### **GOVERNOR KAINE'S GOAL AND THE CHESAPEAKE BAY COMMITMENT**

In April 2006, Governor Kaine announced an ambitious land conservation goal, to preserve an additional 400,000 acres in Virginia by the end of the decade. Those additional acres encompass and extend a commitment made by Virginia and its Bay partner states in 2000 to protect 20% of the lands in the Chesapeake Bay watershed by 2010. The 400,000-acre goal is based on both achieving the Chesapeake Bay commitment and in advancing important land preservation in Virginia's southern river watersheds.

When he announced the additional 400,000-acre goal, the Governor noted that "[w]ith every passing day, land is becoming more expensive and scarcer. I will set and meet this preservation goal during my term – not just because it's the right thing to do – I will do it because if I don't, the opportunity to do it will not be there for future governors and future Virginians". Protecting land also helps in meeting goals relating to water quality, recreation and quality of life.

### **PROTECTION EFFORTS AND RESOURCES UNDER THREAT**

According to the state's best estimate, as of June 30, 2006, over 3.44 million acres of open space, parks, historic lands, natural areas, forests, farms, etc. have been preserved by federal, state, and local governments and private conservation organizations (Source: Virginia Department of Conservation and Recreation's Conservation Lands Database). This represents about 13.6% of the Commonwealth's total land currently permanently protected for conservation purposes through land ownership and easements. Almost three-fourths (71%) of the preserved lands are held by the federal government, 22% by the State, about 4% by local governments, and 3% by private/nonprofit organizations.

In Virginia's portion of the Chesapeake Bay Watershed, a total of about 2.46 million acres of land or 17.77% has been protected. (About 60% of Virginia's land area lies in the Bay Watershed.) As of June 30, 2006, achieving the 20% Bay-goal required the conservation of an additional 308,451 acres by 2010 or 77,113 acres per year between FY07 – FY10 (4 years). Maryland and Pennsylvania have already reached their 2010 goal.

In the last six years, an average of 56,000 acres per year statewide have been protected, counting the combined efforts of both private and public organizations and agencies. In Fiscal Year 2006, 65,764 acres were protected.

The Virginia Outdoors Foundation is the leading holder of conservation easements in the country. Despite recently enacted changes, the state Land Preservation Tax Credit remains the most generous such state incentive for land conservation in the nation. The 2002 State Parks and Natural Area Bond has provided for the acquisition of new parkland and natural areas across Virginia.

Virginia's population has increased by more than 50% since 1970 and is projected to grow by another 1.5 million people by the year 2025. By the year 2030, Virginia's population will be 9.3 million people. Alarming, the rate of land consumption in the past decade has been 2.5 times greater than the rate of population growth. In the Greater Richmond area, for example, land consumption for development doubled between the years 1992 and 1997 while the actual population growth was less than 8%. Of all the development that has occurred in the last 400 years, more than a quarter of it has taken place in the last 15 years.

The three leading economic generators in the Commonwealth are natural resource-based industries: agriculture, forestry, and tourism. State Parks generate over \$150 million per year to the state and local economies and historic sites are the foundation of Virginia's \$14 billion per year tourism industry. Virginia ranks in the top ten U.S. tourist destination states, largely due to its historic, cultural and natural resources.

Much of Virginia is in forest land (15.9 million acres representing 62% of the total land cover). Forest-related products are Virginia's #1 manufacturing industry. However, many regions of Virginia are recording the rapid loss of tree canopy.

Between 1973 and 1997, tree canopy decreased 64% in the Washington metropolitan region, 30% in the Chesapeake Bay region, and 24% in the Roanoke area. The loss of forests hits some areas harder than others. The Chesapeake Bay watershed loses forests at a rate of approximately 100 acres per day. The Virginia Department of Forestry's Virginia Forest Land Assessment concluded that over 3 million acres of commercial timberland can no longer be considered rural enough to permit sustainable management for forest products. Today, the average forest tract size is only 29 acres and over 10% of our forested lands are on tracts of less than 10 acres.

Agricultural land cover accounts for more than 30% of the land base in Virginia with over 8 million acres under cultivation. Agriculture is the second leading industry in the Commonwealth, generating more than 10% of the Total Gross Product. The rate of loss of prime agricultural land in Virginia increased 76% in a recent five-year period. If this rate persists for the next 20 years, more than 400,000 additional acres of Virginia's prime farmland will no longer be available for agricultural production.

The Commonwealth of Virginia ranks in the top ten among all States in globally rare plants and animals. But, of the 823 globally significant conservation sites identified in Virginia, only 15% are under adequate protection and management. A total of 125 species and exemplary natural communities have been identified as likely to be lost in less than a decade if specific conservation action is not taken soon. And the Department of Game and Inland Fisheries recently completed a Wildlife Action Plan that identifies 925 species of wildlife whose populations are in decline.

Of the 384 key battles of the American Civil War, 123 of those battle sites are located in Virginia. Twenty of them rank among America's 50 most threatened Civil War battlefields. Seventy-nine of Virginia's nationally significant battlefields encompass a combined total area of 449,888 acres, of which only 6.8% are protected by fee simple acquisition and only 1.4% by easements. According to the Civil War Preservation Trust, 30 acres of Civil War battlefield land across this country are destroyed every day.

## **CITIZEN SUPPORT**

Perhaps as a result of the changing landscape, out of love for our heritage, or because of the economic and quality-of-life value it adds, citizen support in Virginia for land conservation is very strong.

- The Virginia Outdoors Survey, conducted by VCU and released by DCR in August 2006, substantiate that support. Nearly 78% of respondents answered "yes" to the question "Should the state spend public funds to prevent the loss of exceptional natural areas to development?" When asked how important is it to protect Virginia's natural and open space resources, 95% said it was either "very important" (67%) or "important" (28%). Less than two percent said it was not important. More than 70% of those surveyed said they favored outright purchase from willing sellers as an appropriate tool for conserving open space. This reflects the public's desire for more access to water, natural and outdoor resources.
- Other opinion polls have confirmed this support. For example, a Mason-Dixon survey of 1,200 Virginia voters conducted in January 2003 found "the highest percentage of voter support, 85 to 90%, related to preserving Virginia's rural character and investing in our agricultural, forestry and natural resource-based industries to keep working farms, forests and open space."
- A majority of the voters (69%) showed their direct support in November 2002 by overwhelmingly approving a State Parks and Natural Areas Bond Referendum, in the face of a severe state budget crisis.

## **LAND CONSERVATION AGENCIES AND ORGANIZATIONS**

Virginia has a number of State agencies whose mission includes the protection of important lands. These include the Department of Agriculture and Consumer Services, the Department of Conservation and Recreation, the Department of Forestry, the Department of Game and Inland Fisheries, the Department of Historic Resources, and the Virginia Outdoors Foundation. The agencies collectively assist landowners with conservation options, accept donated lands, place permanent protective easements on lands, maintain databases, registries and websites related to various land attributes, purchase land or interests in land, hold or develop state lands for public use, conduct training, facilitate partnerships, and offer landowner incentives for conserving qualified lands.

Private and non-profit organizations also play an important role in conserving Virginia's important lands. These include national organizations (e.g., The Nature Conservancy and the Trust for Public Lands), statewide and regional conservation groups (such as the Association for

the Preservation of Virginia Antiquities, the Piedmont Environmental Council and the Valley Conservation Council), local land trusts, battlefield and historic preservation groups (e.g., the Civil War Preservation Trust and the Shenandoah Valley National Battlefields Foundation), farm related entities, etc. A recently published directory of land trusts, produced by the Department of Conservation and Recreation and the Virginia Outdoors Foundation, lists 35 local land trusts based in Virginia. While some have paid staff, most are managed by volunteers.

## **CHALLENGES**

### **Funding, Incentives and Capacity**

- In order to meet the Governor's 400,000-acre land conservation goal and the 2010 Chesapeake Bay land conservation commitment, the Commonwealth must *double* its average annual efforts.
- Funding for land conservation remains a major challenge. Virginia remains one of the few east coast states that does not have a dedicated source of funding. Maryland, North Carolina, Pennsylvania, and Delaware all have dedicated funds for land conservation.
- In Governor Kaine's speech announcing his land-conservation goal, he noted that to accomplish that goal, he would "rely heavily upon the open-space protection tools that have served Virginia well: our land preservation tax credit and the Virginia Land Conservation Foundation."
- Virginia's generous land preservation tax credit program provides a market-based incentive for landowners to protect their lands, since it allows them to receive 50% (40% beginning January 2007) of the value of donated land or a conservation easement as state income tax credits, up to \$100,000 a year, for eleven years. Unused tax credits can also be sold on the open market. The tax credit has contributed to a substantial increase in the number of easements granted in the past few years.
- Federal tax incentives are also important. In August, 2006, the President signed a new law that extends the carry-forward period for federal income-tax deductions for voluntary conservation agreements from 5 to 15 years and raises the cap on those deductions from 30 percent of a donor's adjusted gross income to 50 percent, and to 100 percent for qualifying farmers and ranchers. The law is presently authorized for only two years.
- The Virginia Land Conservation Foundation (VLCF) makes matching grants for the following purposes: (i) natural area protection; (ii) open spaces and parks; (iii) farmlands and forest preservation; and (iv) historic area preservation. To date, VLCF has awarded over \$21.4 million in state grants (matched at least equally by recipients) and has protected an estimated 20,266 acres. When state funds are made available to the Foundation, they are allocated to the following formula prescribed by state law: 25% is transferred to the Virginia Outdoors Foundation for providing landowner assistance grants and the remaining 75% is divided equally among the four categories outlined above. At least one-third of the grants must be used to secure easements to be held or co-held by a public body.
- The Virginia Outdoors Foundation's Open Space Preservation Trust Fund is available to help fund land conservation efforts by individual landowners and also for localities' PDR programs.
- Local programs for the purchase of development rights (PDR) are gradually taking hold in Virginia. Under a PDR program, a landowner voluntarily sells his or her rights to develop a

parcel of land to a public agency or a qualified conservation organization charged with the preservation of farm and/or forestland. The buyer (usually a local government) essentially purchases the right to develop the land and extinguishes that right permanently through a conservation easement, thereby assuring that development will not occur on that particular property. At present, thirteen localities have instituted PDR programs, but only seven of these have significant funding.

- Of the six states in the Bay watershed, Virginia has been the most dependent on utilizing federal funds for land conservation. It should be recognized that federal funding for land conservation programs has been declining in recent years.
- Land management and easement-holding agencies and organizations have significant responsibilities for on-going stewardship of lands. For example, the Virginia Outdoors Foundation administers conservation easements on over 330,000 acres represented by more than 2,500 separate properties subject to conservation easement restrictions. DCR's Natural Area Preserve System has doubled in size to over 41,000 acres in the past four years bringing significant new land management challenges. DHR administers conservation and historic easements on more than 20,424 acres (not counting acreage co-held with VOF and other holders) and 402 historic properties. Easements held by state agencies represent a permanent and growing commitment by the Commonwealth, both to the easement donors and to the public. This commitment entails monitoring of easements through periodic onsite visits and consultation with owners about stewardship matters. Ongoing stewardship of state owned lands and conservation easements will require dedicated resources of staff time and funding to ensure that those properties are properly managed to meet the public need.

### **Targets and Measures**

- Although much of land protection depends on opportunities and landowner willingness, targeting land conservation efforts and measuring success are increasingly essential components of the process to assure available funds are spent wisely.
- DCR, for example, has developed a database of all conserved lands, and is currently developing the Virginia Conservation Lands Needs Assessment, a science based system, which maps and targets ecosystems and open space land for conservation purposes in Virginia. Once completed in early 2007, this effort will assist in identifying lands that meet multiple conservation goals at the local, regional and state level.
- The Department of Game and Inland Fisheries has recently developed a Wildlife Action Plan, to identify actions needed to conserve wildlife and habitat before they become more rare and more costly to protect.

### **QUESTIONS TO CONSIDER**

- Virginia needs to double the amount of acreage it protects each year in order to meet the Governor's 400,000-acre goal. How can we double the amount of land we are protecting?
- What information or incentives are needed to encourage more potential donors of land or conservation easements to protect their land?

- What additional tools do land conservation entities in Virginia need to target and increase land conservation efforts and assure the greatest impact with limited revenue?
- How can state land management agencies better meet land management goals and public expectations on newly acquired lands with limited funds and staff?

<b>NOTES:</b>
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